

# AT&T: No More Subsidized Tablets and We're Restricting Your Use of FaceTime

In an unsurprising move, AT&T has followed Verizon Wireless and announced it has discontinued subsidies for wireless tablet devices.

*Engadget* **received word** from an AT&T insider the company has withdrawn subsidies often amounting to \$150 off the devices in return for a two-year contract. The subsidies helped defray the more costly (\$400+) 3G/4G-capable units most consumers bypass in favor of less expensive Wi-Fi-only tablets. Verizon Wireless stopped subsidizing tablets in June.

Consumers can still buy the devices at full price from AT&T, and in another move, AT&T slightly reduced its DataConnect pricing by \$5:

- 250MB for \$14.99
- 3GB for \$30
- 5GB for \$50
- Tethering to an existing shared data plan is available for an extra \$10

AT&T also announced it was planning to limit the use of Apple's FaceTime exclusively to those who agree to switch to the **company's new "Mobile Share" plans**. AT&T will not allow customers with older individual or family use plans to use the popular video conferencing service over its mobile broadband network at any price.

The official statement, **first reported** by *9 to 5 Mac*:

AT&T will offer FaceTime over Cellular as an added benefit of our new Mobile Share data plans, which were created to meet customers' growing data needs at a great value. With Mobile Share, the more data you use, the more you save. FaceTime will continue to be available over Wi-Fi for all our customers.

AT&T is able to introduce these types of restrictions because of the failure of the Federal Communications Commission to enforce Net Neutrality protection on wireless networks. Net Neutrality would require carriers to treat online content, applications, and services equally, allowing customers to use and pay for the services of their choice.

Wireless carriers fought Net Neutrality claiming it would harm efforts to technically manage their networks and would ultimately discourage investment. But AT&T's arbitrary, non-technical restriction of FaceTime suggests the company is actually pushing customers to the more-profitable service plans AT&T favors.



Wood

Consumer group Free Press policy director Matt Wood:

“These tactics are designed with one goal in mind: separating customers from more of their money each month by handicapping alternatives to AT&T’s own products. If customers want to use FaceTime on AT&T’s mobile network, then they have to buy a more expensive monthly data plan with extra voice minutes and texts they’ll never use thrown in. Blocking mobile FaceTime access for much of its user base may be a win for AT&T but it’s a losing proposition for the rest of us. “It’s not supposed to be this way. The Net Neutrality protections in place today for wireless are too weak, but at least prevent carriers from blocking these types of apps. The FCC’s rules prohibit such blatantly anti-competitive conduct by wireless companies. Such behavior would be a problem no matter what Internet platform you choose. It would be unimaginable on your home broadband connection. Apple’s FaceTime comes pre-installed on a Macbook Pro, too, but no home broadband provider would dream of blocking the app there unless you’d signed up for a more expensive data plan.

“The FCC’s Open Internet order aside, AT&T’s latest scheme to make you pay more for less would never fly if we had real competition in the wireless marketplace. Instead, we have Ma Bell’s twin offspring running amok and forcing consumers onto ridiculous plans that make them pay for the same data twice. It’s only going to get worse until lawmakers recognize the problem and act to solve this competition crisis.”

While AT&T will block many customers from using FaceTime, a competing service from Skype remains unaffected.